



Financial Oversight and Management Board for Puerto Rico

PRESS RELEASE

For Immediate Release

OVERSIGHT BOARD REACHES DEAL WITH COFINA BONDHOLDERS

Proposed COFINA Bondholders Agreement to save Puerto Rico over \$17 billion

(San Juan, PR – August 8, 2018)– The Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), created by Congress under the bipartisan Puerto Rico Oversight, Management and Economic Stability Act (“PROMESA” or the “Act”), and the Government of Puerto Rico today announced that they have reached a deal with Senior and Junior COFINA bondholders and monoline insurers on the economic treatment of COFINA bondholders and on the terms of new COFINA securities. The Board expects this deal to lead to a consensual plan of adjustment for COFINA and represents a significant milestone in resolving Puerto Rico’s debt crisis.

“Our objective has been to achieve a debt restructuring agreement with all COFINA parties consistent with the agreement in principle reached by the agents for the COFINA and Commonwealth, the terms of which were announced on June 7, 2018, and we believe this agreement has honored that goal,” said Natalie Jaresko, Executive Director of the Oversight Board. “Moreover, this consensual deal with all COFINA bondholders proves both the Board’s and Government’s commitment to reaching consensual agreements to Puerto Rico’s debt wherever possible. We do want to thank the appointed federal judge mediators whose tireless efforts were essential to the constructive negotiation process we had with the COFINA bondholders, as well as the Ad Hoc Group of Senior bondholders, monolines insurers and other bondholders, who played an important role to create an acceptable consensual plan.”

The deal provides for more than a 32% reduction in COFINA debt, gives Puerto Rico approximately \$17.5 billion in debt service savings, avoids additional costly and time consuming litigation, enables local retail bondholders in Puerto Rico to receive a significant recovery, and provides flexibility to the Commonwealth in managing future debt refinancing, while avoiding the liquidity based borrowings that contributed to the current crisis.

"We welcome this agreement which represents a big step forward to achieving PROMESA's mandates and continuing to restructure responsibly Puerto Rico's debt in a sustainable way. We look forward to furthering these efforts with all creditors," Jaresko added.

A copy of the final presentation of terms delivered to creditors in mediation is available on the Oversight Board's website at www.oversightboard.pr.gov and will be filed on EMMA.

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